

Coffee and Sustainability in Latin America: good practices, challenges and the road ahead

44th International Trade Show of Artisan Gelato, Pastry, Bakery and the Coffee
World (SIGEP 2023)

January 21st

PROGRAMME

Moderation: Jose Luis Rhi-Sausi – AL-INVEST Verde / IILA

Presentation of the activity. The commitment of IILA for sustainability

- **Giselle Canahuati.** Socio-economic Secretary IILA

Deepening the topic:

The sustainability of value chains, the new EU regulatory framework and the AL-INVEST Verde Programme

- **Andrea Monaco.** AL-INVEST Verde / IILA

Dialogue among stakeholders

The challenge of sustainability and competitiveness in the international coffee supply chain

- **Gerardo Pataconi.** International Coffee Organization (ICO)

Minas Gerais coffee and ongoing initiatives for socio-environmental traceability of the chain

- **Joao Ricardo Albanez.** Subsecretary of Agriculture of Minas Gerais, Brazil (online)

Colombia and adaptation to the new European regulatory framework for coffee exports

- **Andrés Felipe Morales.** Federación Nacional de Cafeteros de Colombia

Geographical indications as a tool for sustainability of the value chains

- **Mariano Riccheri.** AL-INVEST Verde / EUIPO (online)

Zero-deforestation coffee in Ecuador: the experience of a cooperative of producers

- **Camilo Luzuriaga.** Asociación de Cafetaleros Ecológicos de Palanda y Chinchipe (APECAP), Ecuador

Sustainable coffee certifications: the experience of a global trader as NKG

- **Marcela Vivas.** NKG Bero (online)

Closing remarks

- **Giselle Canahuati.** Socio-economic Secretary IILA
- **Andrea Monaco.** AL-INVEST Verde / IILA

EXECUTIVE SUMMARY

The production of coffee has a close tie with social and environmental sustainability. The expansion of coffee production in Latin America in response to higher consumer demand is, in some cases, accompanied by several threats, including water pollution, biodiversity loss, soil erosion, agrochemical use, deforestation, waste generation and labour exploitation. However, coffee producers and companies have shown high dynamism in addressing sustainability issues and proactively looking for solutions in the last years.

In the framework of the 44th [SIGEP](#), the European Union Programme of cooperation for sustainable production in Latin America, [AL-INVEST Verde](#), proposed a **dialogue among European and Latin American stakeholders of the chain** to discuss good practices and main challenges to an **environmental and social friendly coffee**. The activity was organised in the framework of International Italo-Latin American Organization – [IILA](#)'s participation to the Fair. IILA, which is also part of the implementation consortium of Component 2 of AL-INVEST Verde, with [FIIAPP](#), has been working in the promotion of Latin American coffee sector for several years and it participates to SIGEP Fair with this purpose.

After the institutional introduction by Giselle Canahuati, Socio-Economic Secretary of IILA, who underlined the strong commitment of this institution to environmental issues and ecological transition, the moderator of the dialogue, José Luis Rhi-Sausi¹, introduced the general theme and purpose of this dialogue. After that, he proposed to conduct a survey in SLIDO among the participants in order to identify which aspects are **considered most urgent** in terms of coffee sustainability (among those listed above). **Soil erosion, agrochemical use, water pollution and deforestation** were the most voted.

Andrea Monaco, from the AL-INVEST Verde Programme, highlighted the main issues related to sustainability and coffee production. The ecological transition to which countries are committed implies a radical change in the production model, with a **more efficient use of resources, circular and neutral** in terms of emissions. Supply chains are global, and for this reason sustainability has to be achieved all along the chain. The European Union, through the Green Deal, is making progress in defining new rules for more sustainable production. It is important that these rules foster sustainable supply chains at a global level. The regulation on deforestation-free chains seeks this purpose. In addition, the ecological transition has to be fair and the economic activities must represent a vehicle for **social cohesion, equality and inclusion**. With the Sustainability Corporate Due Diligence Directive, the European Union is also moving forward on promoting a production that fully respects human and workers' rights. Coffee is one of the most globally traded and consumed products and is characterised by a global supply chain. **Its demand continues to grow** in a growing world population. Parallel to this, the demand to sustainable production is increasing. Indeed, climate change sets many challenges to coffee production and it is important to quickly mainstream the many sustainable coffee experiences already implemented.

Gerardo Pataconi, the head of Operations of the International Coffee Organizations (ICO), while briefly presenting the ICO, provided a quick presentation of the coffee global value chain (C-GVC) and the figures showing the significant changes that occurred in the sector in the last 60 year of existing of the ICO, 1963-2023, such as the **increase in production** (+100 thousand 60 kilos bags), consumption (from 1.2 billion cups a day to almost 3 billion cups/day in 2022) as well as changes in world population (3 billion in 1960 to 8 billion in 2022).

¹ José Luis Rhi Sausi is coordinator in IILA of the Italian Latin American SMEs Forum and thematic backstopping IILA for AL-INVEST Verde.

When addressing the question of sustainability and resilience of the coffee sector, he showed that in the medium-to-worse scenario due to climate change, in 2050, 75% of Arabica land and 63% of Robusta could be lost. With an estimated constant consumption growth between 1-2%, the supply would not be able to cover the demand and the cost of production could rise to hundreds of Euro. The ICO created a coffee public-private task force for the implementation of four **main actions**: 1. building a shared vision among producers, importers, private sector and civil society; 2. focusing on technology and best practices for coffee regenerative agriculture and circular economy; 3. assisting producers to achieve a living and prosperous income and be able to comply with new regulatory framework on deforestation, illegal labour practices and due diligence; 4. creation of a Coffee Sustainability and resilience fund.

João Ricardo Albanez, Subsecretary of Agriculture, Livestock and Supply of the State of Minas Gerais in Brazil has highlighted the main characteristics of the coffee sector in Minas Gerais, the state that produces most coffee in Brazil (first producer worldwide) and which has a diversified production between areas of larger and more technologically advanced properties and others that are more family-run. This specialization of the State in the coffee sector has allowed progress since 2016 through a project to strengthen the sector, with a more efficient use of resources and the application of new technologies. Progress has also been made in the Certifica Minas Café programme, which has subsequently been transformed into **a public policy and a law**, that allows **for the certification of production practices throughout the Minas coffee chain**.

It should be noted that Minas Gerais is working to apply the Selo Verde platform in the coffee sector. This platform, already applied in the state of Pará in the meat sector, allows to cross-reference data from agricultural enterprises with satellite images and verify compliance with the environmental standards of the farms, particularly with regard to deforestation.

Andrés Felipe Morales of the Federación Nacional de Café de Colombia B.V., after characterizing the country's coffee sector (third largest producer worldwide, more than 540,000 families involved, of which 96% owners of less than 5 ha.), presented the main challenges that the sector currently faces: increasing productivity with varieties resistant to climate variability; achieving a more efficient use of soil and water; making the coffee sector an innovative and technological business in order to attract new young producers to the sector while maintaining its economic viability in the medium and long term. Subsequently, he indicated the **main challenges facing the regulation on deforestation-free chains**, pointing out that the Federation fully shares its purpose: i) ensuring the maintenance of adequate income for producers; ii) making the intrinsic characteristics of production systems visible (Colombia small producers vs. Brazil large productions); iii) harmonisation of reporting platforms at national level.

Mariano Riccheri, director of Component 3 of the AL-INVEST Verde Programme on intellectual property, presented the work that Component 3 is developing in the promotion of the use of **intellectual property for innovation and competitiveness**. He also emphasized how Geographical Indications, applied in the coffee sector (for example the already existing Café de Colombia or the initiative in definition of Café de Minas), can add value to production and be a vehicle to promote coffee produced in full respect of environmental standards.

Camilo Luzuriaga from the Association of Ecological Coffee Growers of Palanda and Chinchipe (APECAP) in Ecuador mentioned the interesting experience of **zero-deforestation coffee production in the Ecuadorian Amazon**, in which the association has played a fundamental role in raising awareness and training producers in a production model that respects the forest ecosystem.

Finally, Marcela Vivas from NKG, an international company that markets coffee from 26 countries, illustrated two experiences implemented in the field of sustainability: i) the NKG Verified certification, which allows verification of production systems throughout the chain and training activities for producers. With this certification, customers receive an easy-to-read sustainability report; ii) the NKG Bloom certification that guarantees the long-term viability of the green coffee chain by providing smallholder farmers with opportunities and resources for full farm performance, which makes it a good tool in the fight against poverty.

Every year, SIGEP gathers over a thousand exhibitors, 20% of whom from the coffee sector and it represents one of the main visibility and commercialization event in the world of coffee and cocoa producers. With this dialogue, component 2 aims to open a line of work on coffee in Latin America (especially Andean countries and Brazil) and the application of European Union regulations on sustainability, with an active role of the different actors involved in the entire production chain. The dialogue took place in a highly visible space of the SIGEP Fair, attracting a large number of participants interested in the topic.

About AL-INVEST Verde

AL-INVEST Verde is a European Union (EU) programme. Its global objective is to promote sustainable growth and jobs creation by supporting the transition towards a low-carbon, resource-efficient and a more circular economy in Latin America. Through its Component 2, led by FIIAPP in consortium with IILA, the programme provides assistance for strengthening public policies and multi-stakeholder dialogues on sustainable agricultural and value chains, environmental and labour standards as well as sustainable trade and economic policy and regulatory frameworks.

For more information visit: www.alinvest-verde.eu